



# daring derivatives



April 05, 2007

## Derivatives Summary

- The discount in the Nifty (April) futures decreased to 28.2 points from 29.15 points and the futures added around 7 lakh shares in the open interest.
- The Nifty 50 stocks added 83.27 lakh shares in the open interest.
- The total open interest in the market is Rs42,438 crore and there was an addition of around Rs1,975 crore in the open interest during the day.
- M&M (23%), GE Shipping (21%), Praj Industries (17%), UltraTech (17%), UTI (14%), Kotak (14%) & BHEL (14%) were the top open interest gainers in the market.
- Crompton Greaves (-20%) & Triveni (-10%) were the top open interest losers in the market.

## Market View

The market opened on a positive note and went on to touch an intra-day high of 3751 in the initial hour of the trading session. The market cooled off thereafter and traded in the tight 3720-3740 range and finally closed at 3733 with a gain of around 1%. The volumes in the Nifty futures were lacklustre indicating lack of participation in the market and the futures added around 7.9 lakh shares in long open interest. On the options front, the implied volatility of both the call and put options declined significantly indicating that the market may stabilise around the current levels. The market is likely to open on a positive to flat note and the world markets will play an important role in the morning trades. The market may become flat thereafter. The key support levels for the Nifty are 3650 and 3700 and there will be a resistance around 3850.

NIFTY SNAPSHOT			
	Current	Previous	% Change
Nifty (Mar)	3696.3	3661.5	0.95%
Nifty CoC	-12.56%	-12.53%	0.22%
OI	33464550	32674600	2.42%
Vol	43664500	50792700	-14.03%
PCR(OI)	0.85	0.87	-2.30%
PCR ( VOL)	0.74	0.71	4.23%

MOST ACTIVE INDEX CALL OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3700 C	27.02%	27.91%	2111200	10.40%
3800 C	27.01%	27.37%	2790600	0.50%
4000 C	26.14%	28.19%	1981850	29.80%
3900 C	25.48%	27.01%	1276650	13.00%
3600 C	28.19%	28.69%	1301700	-0.11%

MOST ACTIVE INDEX PUT OPTION				
Strike	Curr. IV	Pre. IV	Curr. OI	OI Chg%
3700 P	27.62%	28.62%	2074250	5.01%
3600 P	29.45%	30.01%	2457450	6.99%
3500 P	31.34%	31.05%	1547750	8.97%
3800 P	26.57%	27.31%	2260850	3.87%
3700 Apr P	27.48%	27.29%	194900	24.74%

MOST ACTIVE STOCK FUTURES				
Strike	Curr. CoC	Pre. CoC	Curr. OI	OI Chg%
RELIANCE	-4.38%	0.41%	8737650	5.94%
INFOSYS	-5.75%	-1.70%	3148800	5.91%
ACC	4.87%	8.90%	4557000	10.82%
RCOM	6.07%	4.14%	14224000	13.92%
PRAJIND	5.53%	8.75%	5596800	19.55%

FII'S FUTURE & OPTIONS ACTIVITY (IN CRS) 03 APRIL			
	Buy	Sell	Difference
INDEX FUTURES	1648.87	757.07	891.80
INDEX OPTIONS	420.53	168.25	252.28
STOCK FUTURES	681.53	389.26	292.27
STOCK OPTIONS	0	8.28	-8.28
TOTAL	2750.93	1322.86	1428.07

MOST ACTIVE STOCK CALL OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
NTPC 160 C	30.52%	35.21%	399750	35.16%
RPL 75 C	37.68%	45.58%	4395200	14.79%
RELIANCE 1350 C	24.44%	25.37%	113400	-12.40%
INFOSYS 2010 C	41.50%	44.38%	64700	13.91%
SAIL 115 C	44.91%	46.12%	869400	48.39%

MOST ACTIVE STOCK PUT OPTIONS				
Strike	Curr. IV (%)	Pre. IV (%)	Curr. OI (%)	OI Chg %
RELIANCE 1350 P	25.39%	23.95%	71400	43.37%
NTPC 150 P	36.35%	32.39%	326625	214.06%
INFOSYS 1920 P	47.53%	46.95%	26000	173.68%
RPL 70 P	42.64%	35.75%	1082050	-5.28%
SAIL 110 P	57.71%	53.23%	291600	54.29%

## Recommendation Tracker

Date	Scripts	Initiation Range	Stoploss	Target	Timeframe	Remark
3-Apr-07	Tata Motors Buy	680-681	672	695-710	2-3 Days	Exit @ 676
3-Apr-07	Maruti Buy	751-752	745	765-770	1-2 Days	First Target
2-Apr-07	BhartiBuy	727-728	719.5	755-775	2-3 Days	SL Triggered

### For Private Circulation only

#### Disclaimer

"This document has been prepared by Sharekhan Ltd. This Document is subject to changes without prior notice and is intended only for the person or entity to which it is addressed to and may contain confidential and/or privileged material and is not for any type of circulation. Any review, retransmission, or any other use is prohibited. Kindly note that this document does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction.

Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from publicly available data or other sources believed to be reliable. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. We do not represent that information contained herein is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject SHAREKHAN and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

SHAREKHAN & affiliates may have used the information set forth herein before publication and may have positions in, may from time to time purchase or sell or may be materially interested in any of the securities mentioned or related securities. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. Any comments or statements made herein are those of the analyst and do not necessarily reflect those of SHAREKHAN."